GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:1114
ANSWERED ON:02.03.2015
CONTRIBUTION TOWARDS EPF ESI BY WORKERS
Trivedi Shri Dinesh

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether the Government has received any request from companies regarding changes in laws granting employees choice of salaries;

(b) if so, the details thereof and the response of the Government thereto;

(c) whether the salary deductions (for cont- ributions towards provident fund, pension fund and ESI) for low wage employees in India is one of the highest in the world and if so, the details thereof and the reaction of the Government thereto;

(d) whether the Government has any plan to allow employees in the organized sector to choose their salaries without the afore mentioned deductions; and

(e) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE(IC) FOR LABOUR AND EMPLOYMENT (SHRI BANDARU DATTATREYA)

(a): No, Madam.

(b): Does not arise in view of reply to part (a) of the Question above.

(c): Under Employees' Provident Funds & Miscella- neous Provisions Act, 1952, employers contribute @12% of wages to the Fund and equal contribution is given by employees. Out of the employer's contribution of 12%, 8.33% is diverted to Pension Fund. Further, the contribution @ 6.5% (employers' Share- 4.75% and Employees' Share-1.75%) is paya- ble in respect of the employees covered under the Employees' State Insurance Act, 1948, who is drawing wages upto Rs. 15,000/-.

(d): No, Madam.

(e): Does not arise in view of reply to part (d) of the Question above.